

105TH CONGRESS  
2D SESSION

# H. R. 3138

To require congressional approval for certain uses of the exchange  
stabilization fund.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1998

Mr. BACHUS (for himself, Mr. PAUL, and Mr. ADERHOLT) introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To require congressional approval for certain uses of the  
exchange stabilization fund.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Foreign Government  
5       Bailout Accountability Act of 1998”.

1 **SEC. 2. CONGRESSIONAL APPROVAL REQUIRED FOR CER-**  
2 **TAIN USES OF THE EXCHANGE STABILIZA-**  
3 **TION FUND.**

4 (a) PRESIDENTIAL CERTIFICATION.—Section 5302  
5 of title 31, United States Code, is amended by adding at  
6 the end the following new subsection:

7 “(e) CERTIFICATION.—The Secretary may not make  
8 any loan or extension of credit under this section with re-  
9 spect to a single foreign entity or government of a foreign  
10 country (including agencies or other entities of such gov-  
11 ernment), unless the President certifies to the Committee  
12 on Banking, Housing, and Urban Affairs of the Senate  
13 and the Committee on Banking and Financial Services of  
14 the House of Representatives that—

15 “(1) there is no projected cost (as that term is  
16 defined in section 502 of the Federal Credit Reform  
17 Act of 1990) to the United States from the proposed  
18 loan or extension of credit; and

19 “(2) any proposed obligation or expenditure of  
20 United States funds to or on behalf of the foreign  
21 government is adequately backed by an assured  
22 source of repayment to ensure that all United States  
23 funds will be repaid.”.

24 (b) LIMITATION ON USE OF EXCHANGE STABILIZA-  
25 TION FUND.—Section 5302 of title 31, United States  
26 Code, is amended by inserting after subsection (e) (as

1 added by subsection (a) of this section) the following new  
2 subsection:

3 “(f) LIMITATION ON USE OF FUND.—Notwithstand-  
4 ing subsection (a)(2), except as provided by an Act of Con-  
5 gress, the Secretary may not make any loan or extension  
6 of credit under this section with respect to a single foreign  
7 entity or government of a foreign country (including agen-  
8 cies or other entities of such government) that would re-  
9 sult in expenditures and obligations, including contingent  
10 obligations, aggregating more than \$1,000,000,000 with  
11 respect to such foreign country for more than 180 days  
12 during the 12-month period beginning on the date on  
13 which the first such action is taken.”.

14 (c) TECHNICAL AMENDMENT.—Section 5302(b) of  
15 title 31, United States Code, is amended by striking the  
16 2d sentence.

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